

CHILDREN AND FAMILIES -- DEPARTMENTWIDE

Pay-for-Performance Contracts

Motion:

Move to modify the bill as follows:

Require all state agencies to examine current programs and submit to the Committee on or before December 1, 2015, a plan that identifies existing government expenditures that could be decreased or programs that could be improved through the use of pay-for-performance contracts. Specify that a pay-for-performance contract is a contract between a government agency and a private organization for the delivery of services under which payment is contingent upon and delayed until achievement of specified outcomes as measured by an independent evaluator using agreed upon metrics. Further, specify that under a pay-for-performance contract the contracting organization may serve as an intermediary which: (a) obtains funding to perform the contract by raising capital from private investors (whether philanthropic, profit seeking, or otherwise); and (b) subcontracts with direct providers (which may or may not be nonprofits) to achieve the required performance outcomes.

Authorize the Department of Children and Families (DCF) to issue a request for proposals (RFP) for a pay-for-performance contract which, after a term of five years, would provide an agreed upon payment on the condition that the contracting organization can demonstrate savings realized by the state (and not by local or federal government bodies) as defined by the terms of the contract from reducing rates of recidivism by offenders residing in the City of Milwaukee who have left incarceration and reentered the community. Require that the contract provide for no payment unless a certain minimum level of success is demonstrated. Specify that the Legislative Audit Bureau shall assist DCF and the RFP offerors to identify benchmarks to measure performance and shall conduct an audit upon completion of the five-year contract term to determine whether the agreed-upon benchmarks have been achieved. Require DCF in evaluating proposals to give priority to those which incorporate reuniting parents with their children.

Specify that after selecting a proposal DCF shall submit a plan to the Committee for approval under a 14-day passive review process before a final contract with the RFP offeror selected by DCF may be executed or otherwise implemented. Require the plan to include specific information on the RFP offeror selected, the methods under which the offeror will finance startup and ongoing costs, the levels of increased payment for greater degrees of success, the desired outcomes and benchmarks, the methods of monitoring and measuring performance, and any additional service providers which the offeror intends to engage for delivery of services.

